Four Basic Methods of Procurement

- 1. **Request for Quotation (RFQ)** Informal solicitation for small purchases; includes telephone quotations.
- 2. **Invitation for Bid (IFB)** Formal competitive bidding process used for purchases exceeding \$50,000. Contains specifications, contractual terms and conditions and the evaluation criteria for an award.
- 3. **Request for Proposal (RFP)** Used when needs or an agency may not be clearly defined, and the agency wishes to determine what competing vendors can do for them in a general area, and cost is not the only criteria for selection. Negotiations are likely. An RFP will contain technical specifications of a "Scope of Work" to which the offeror must respond with a sealed technical proposal and prices. A formal proposal close date and time will be specified, following which any proposal received will not be considered. Evaluation criteria are listed in the RFP. After award of proposal, all offers become public information.
- 4. **Statement of Interest and Qualifications (SQIQ)** Process used for procurement of architect and engineering services where selection is made on the basis of qualification, and the fee is subsequently negotiated.
- 5. **Multi-step bid process** Combines IFB and RFP processes. Multi-step sealed bidding is a two-phase process consisting of a technical **first phase** composed of one or more steps in which bidders submit **un-priced technical bids** to be evaluated by the purchasing agency, and a **second phase** in which those bidders whose **technical bids are determined to be acceptable during the first phase have their price bids considered**. It is designed to obtain the benefits of competitive sealed bidding by award of a contract to the lowest responsive, responsible bidder, and at the same time obtain the benefits of the request for proposal (RFP) process through the solicitation of technical bids and the conduct of discussions to arrive at technical bids and terms acceptable to the purchasing agency and suitable for competitive pricing. One advantage over a standard invitation to bid process is the aspect within the multi-step process that allows for discussions with the bidder, and the opportunity for the bidder to then modify their technical bid allowing the state to have more qualified bidders.
 - First phase: un-priced technical bids.
 - Second phase: technical bids are determined to be acceptable during the first phase have their price bids considered.